

# **Task Force on Employee Wellness and Consolidation of Agency Group Insurance Programs**

County Government  
Plan Overview  
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# County Government Plan Overview

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# Introduction

- The administration of the employee benefit programs is an Executive branch function administered by the County Executive, with day to day administration delegated to the Office of Human Resources.
- The plans provide coverage for County employees, retirees, and their eligible dependents, as well as for employees of participating county agencies

# Introduction

- Benefits levels, and employer/employee cost sharing arrangements are collectively bargained between the Executive Branch, and three bargaining units representing County employees:
  - UFCW Local 1994 MCGEO
  - IAFF Local 1664
  - Fraternal Order of Police Lodge 35

# Plan Offerings

## Medical

- Two Point-of-Service Plans administered by Carefirst BlueCross BlueShield
- Two Health Maintenance Organization options:
  - Kaiser Permanente
  - UnitedHealthcare

## Prescription

- Three Prescription Drug Options administered by CVS/Caremark
- KaiserPermanente plan participants have prescription coverage as part of their medical plan election.

# Plan Offerings (continued)

## Plan Design

- HMO Co-pays Kaiser Permanente - \$5, UnitedHealthcare \$5 Primary Care Physician, \$10 Specialist
- POS Co-pays \$10 High Option plan, \$15 Standard Option Plan for Primary Care Physician and Specialist
- Prescription Plan Co-pays - Standard Option Plan
  - \$10 for generic prescriptions
  - \$20 for preferred brand name prescriptions
  - \$35 for non-preferred brand name prescriptions
- Prescription Plan Co-pay – High Option Plans
  - MCGEO and IAFF \$4 for generic prescriptions, \$8 for brand name prescriptions
  - FOP, non-represented, and retirees \$5 for generic prescriptions, \$10 for brand name prescriptions.

**NOTE: Co-pays are the same at retail pharmacies (generally a 30 day supply) and the mail order pharmacy (up to a 90 day supply)..**

# Plan Offerings (continued)

## Current Cost Sharing

- Represented employees pay 20% of plan cost. The County pays 80%
- Non-Represented employees pay 24% of plan cost. The County pays 76%.
- The County contribution to the High Option prescription plan is limited to the amount the County pays toward the cost of the Standard Option plan. Employees and retirees pay the difference between the County's Standard Option plan cost and the total cost of the High Option plan. As a result, High Option Prescription Plan participants pay as much as 46% of plan cost in 2011.

# Projected Costs for 2012 Plan Year

- Medical and Prescription Drug plans are self-insured, except for the Kaiser Permanente Health Maintenance Organization (HMO) which is a fully insured program.
- Rates are set through an annual underwriting process that:
  - Projects claims and administrative expenses by plan
  - Projects enrollment/demographics
  - Adjusts for plan design changes, large claims, etc



# Projected Costs for 2012 (cont.)

## 2012 Plan Year Projected Claims and Administrative Expenses

- Medical plans - \$124 million
- Prescription Drug plans - \$41 million
- Dental and Vision plans - \$12 million

## Projected Costs for 2012 (cont.)

- On average rates for 2012 are expected to increase by about 2%.
- Prescription drug plan rates are expected to increase by 7.5% - slightly below the 7.7% the underwriting trend projection.
- Carefirst POS plan costs are flat.
- Kaiser Permanente premiums rates are up 3.4%.
- UnitedHealthcare HMO costs are up 2.2%

# Demographics

Active eligibility as of 8/1/2012

• Non-represented employees	1,801
• MCGEO OPT/SLT	4,805
• FOP	1,125
• IAFF	1,050
• Participating Agencies	<u>562</u>
➤ Total eligible	9,343

# Demographics (continued)

Active enrollment as of 8/1/2012

- Current active enrollment – 7,822  
(excluding outside agencies)
- Dependents covered – 16,224
- Active Opt-outs - 1,205. Opt outs include:
  - Employees with coverage elsewhere
  - Employees covered by a spouse who is a county employee or retiree

# Demographics (continued)

Active enrollment as of 8/1/2012 (not including outside agency employees)

- Carefirst BlueCross Blue Shield Plans
  - Individual – 1,561
  - 2-party – 1,225
  - Family – 2,397
- Kaiser Permanente
  - Individual – 397
  - 2-party – 240
  - Family – 438
- United Healthcare
  - Individual – 412
  - 2-party – 374
  - Family – 778

## Demographics (continued)

Retiree enrollment as of 8/1/2012

• Retirees	4,189
• Surviving Spouses	<u>414</u>
• Total	4,603

# Wellness and Disease Management

Prior to FY 2011, the County offered a Wellness program through a third party vendor. The program was not integrated with health plans and there was no correlation between the program and medical plan outcomes. As a result, the County discontinued its contract and began working with health plan vendors regarding Wellness and Disease Management opportunities.

Health plans have evaluated the County plan experience and have suggested strategies to be discussed in upcoming labor negotiations.

# Wellness and Disease Management

Health plans have offered to provide a “wellness budget” to assist the County in developing wellness initiatives and targeting disease management opportunities, including:

- Interventions to manage the higher than average prevalence of diabetics among the covered population.
- A comprehensive smoking cessation program
- Weight/diet management programs to address obesity in the workforce



# Changes for 2012

This past spring, the County Council approved the following changes to the employee health plans effective 2012:

- Employees enrolled in an HMO will pay 20% of plan cost
- Employees enrolled in a POS plan will pay 25% of plan cost
- Employees enrolled in medical, dental, vision and prescription (except except Kaiser ) will pay 25% of plan cost. Employees in the High Option prescription plan also pay the difference between the employer cost of the Standard Plan and the High Option plan.

# Changes for 2012 (continued)

- The prescription plans will require use of generic medications where available. Employees who purchase brand name drugs that have a generic equivalent will pay the generic co-pay PLUS the difference between the cost of the brand name drug and its generic equivalent.
- The penalty will be waived if a plan participants physician certifies that there is a medical reason the patient must use the brand name drug.
- A quantity limit (6 pills at a retail pharmacies and 18 pills at the mail order pharmacy) will be put in place for drugs used to treat Erectile Dysfunction.

# Questions

